

Exhibit 2



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2006-2007

July 22, 2010

Janesa Urbano
Cohen Seglias Pallas Greenhall & Furman PC
United Plaza, 19th Floor
30 South 17th Street
Philadelphia, PA 19103

Re: Applicant Name: ESSEX COUNTY VOCATIONAL
SCHOOLS
Billed Entity Number: 151489
Form 471 Application Number: 519331
Funding Request Number(s): 1429088
Your Correspondence Dated: July 07, 2010

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2006 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1429088
Decision on Appeal: **Denied**
Explanation:

- After a thorough review, USAC has determined that the funding commitment for this request must be reduced by \$165,079.52. During the course of review, it was determined that funding was provided for the following ineligible items: excess number of cabling drops. The pre-discount cost associated with these items is \$183,421.69. At the applicants 90 percent discount rate this resulted in an improper commitment of \$165,079.52. On the SPAC Form, the authorized person certified at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service

provider is responsible for this rule violation. Accordingly, USAC reduced the amount of funds committed by \$165,079.52, and sought recovery of improperly disbursed funds from the service provider. On appeal, you have failed to demonstrate that USAC erred in its decision to rescind funding. Subsequently, your appeal is denied.

- Your Form 471 application included costs for the following ineligible products and/or services: excess number of cabling drops. FCC Rules provide that funding may be approved only for eligible products and services. 47 C.F.R. secs. 54.502, 54.503. The USAC website contains a list of eligible products and services. See the website, www.usac.org/sl, Eligible Services List. FCC Rules further require that if 30% or more of the applicant's funding request includes ineligible products and/or services, then the funding request must be denied, otherwise the funding request will be reduced accordingly. 47 C.F.R. sec. 54.504(d).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Dan Riordan

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Billed Entity Number: 151489
Form 471 Application Number: 519331
Form 486 Application Number: